



First Quarter Ended Report

September 30, 2018

(Un - audited)

FIRST UDL MODARABA

Managed By:

UDL Modaraba Management (Pvt) Limited

Corporate Information

MODARABA MANAGEMENT COMPANY	UDL Modaraba Management (Private) Limited	
Board of Directors	Majid Hasan Ather Naqi Shuja Malik Farah Qureshi A.Rahim Suriya	Chairman (Non Executive Director) Chief Executive Officer Executive Director Non Executive Director Non Executive Director
Company Secretary & CFO	Syed Aamir Hussain	
Audit Committee	A.Rahim Suriya Majid Hasan Farah Qureshi	Chairman Member Member
Human Resource & Remuneration Committee	Majid Hasan Farah Qureshi A.Rahim Suriya	Chairman Member Member
Auditors	Muniff Ziauddin & Co. Chartered Accountants	
Bankers	Albaraka Bank Limited Habib Bank Limited Dubai Islamic Bank Limited	
Registrar	Share Registrar Department Central Depository Company of Pakistan Ltd. CDC House, Shahra -e-Faisal, Karachi	
Shariah Advisor	Mufti Abdul Qadir	
Legal Advisor	Mohsin Tayebaly & Co. 2nd Floor Dime Centre,BC-4,Block -9, Kehkashan, Clifton, Karachi-75600	
Tax Advisor	Ford Rhodes Sidat Hyder & Co. Chartered Accountants Progressive Plaza, Beaumont Road P.O.Box 15541, Karachi-75530.	
Associated Company	UDL Pharmaceuticals Pakistan (Pvt) Limited.	
Head Office & Registered Office	1st Floor, Business Enclave. 77-C, 12th Commercial Street, Off: Kh-e-Ittehad, DHA Phase II (Ext.) Karachi.	
Factory	E-44/45 North Western Industrial Zone, Port Qasim, Karachi	
Phone	092 - 21 - 35310561-5	
Fax	092 - 21 - 35310566	
E-Mail	info@udl.com.pk	
Web	www.udl.com.pk	

DIRECTORS' REPORT

The Board of Directors of UDL Modaraba Management Private Limited takes pleasure in presenting the un-audited accounts of First UDL Modaraba for the quarter ended September 30, 2018.

Review of Operations:

During the first three months of the current year, total income of the Modaraba reduced by 3% from Rs. 47.14 million to Rs. 45.73 million in the same period of last year. Main reason for a decline was due to lower pharmaceutical sales as a result of discontinuation of operations.

The aggregate expenses amounted to Rs. 41.16 million as compared to 57.70 million reflecting a reduction of 28%.

During the first quarter Modaraba posted a net profit of Rs. 1.09 million as compared to a net loss of Rs. 10.91 million in the same period of last year.

Future Outlook:

The overall economic conditions of the country is expected to improve gradually, resulting in the capital market to perform better. This would provide an opportunity to cash in on the long-term investments and divert funds in the financial activities of the Modaraba, thereby, resulting in improved profitability.

Acknowledgement:

The Board takes this opportunity to thank the Registrar Modarabas and other officials of the Securities and Exchange Commission of Pakistan (SECP) and the State Bank of Pakistan (SBP) for their continuous guidance and support.

The Board would also like to thank valued customers and certificate-holders for reposing trust and confidence in the Modaraba, and to the members of Management and Staff for their commitment and dedication.

For and on behalf of the Board

---Sd---

Ather Naqi
Chief Executive

Date: 31st October' 2018.

**FIRST UDL MODARABA
CONDENSED INTERIM BALANCE SHEET
AS AT SEPTEMBER 30, 2018**

	(Un-audited) September 30, 2018	Audited June 30, 2018
Note	' Rupees in "000"	
LIABILITIES AND EQUITY		
Certificate holders' equity		
Certificate capital:		
Authorized capital 50,000,000 (June 30, 2018: 50,000,000) modaraba certificates of Rupees 10 each	500,000	500,000
Issued, subscribed and paid up certificate capital	5. 263,866	263,866
Statutory reserve	259,037	259,037
Revenue reserves		
Unrealized gain on re-measurement of available for sale investments	67,327	70,814
Unappropriated profit	(4,420)	(5,515)
Total equity	585,811	588,202
Non-current liabilities		
Long term security deposits	9,905	10,310
Current liabilities		
Current maturity of security deposits	13,131	14,391
Trade Creditors	1,431	3,037
Tijarah financing	30,000	30,000
Accrued and other liabilities	13,036	23,395
Unclaimed profit distributions	27,081	27,104
	84,679	97,927
Contingencies and commitments	6. -	-
Total liabilities and equity	680,394	696,439
ASSETS		
Non-current assets		
Fixed assets - tangible	7. 236,652	249,293
Fixed assets - intangible	2,095	2,095
capital work in process	300	300
Long term investments	8. 227,781	202,366
Diminishing Musaharakah Financing	37,908	32,843
Long term advances and deposits	2,642	2,526
	507,378	489,424
Current assets		
Ijarah rental receivables	1,512	722
Stock	32,009	42,599
Trade Debts- unsecured but considered good	30,546	25,013
Diminishing Musaharakah Financing - current portion	22,263	19,719
Diminishing Musaharakah Financing - Recievable	191	357
Financial assets - Investments	9. 35,659	39,967
Advances - considered good	15,097	17,138
Prepayments and other receivables	6,651	5,642
Cash and bank balances	10 29,089	55,860
	173,016	207,016
Total assets	680,394	696,439

The annexed notes from 1 to 15 form an integral part of these condensed interim financial information.

For UDL Modaraba Management (Private) Limited
(Management Company)

**-Sd-
C.F.O
Syed Aamir Hussain**

**-Sd-
CHIEF EXECUTIVE
Ather Naqi**

**-Sd-
DIRECTOR
Shuja Malik**

**-Sd-
DIRECTOR
A.Rahim Suriya**

**FIRST UDL MODARABA
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT - (Un-audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2018**

	Note	Quarter Ended	
		September 2018	September 2017
		----- Rupees"000" -----	
Income from:			
- Pharma business		37,016	40,270
- Ijarah Operations - net off depreciation		2,622	4,523
- Diminishing Musharakah		2,322	1,958
- Investments		2,019	386
- Other sources		1,751	-
		<u>45,728</u>	<u>47,138</u>
Expenses			
Cost of goods sold		17,626	27,641
Operating expenses	11	7,197	12,041
Selling & distribution		16,329	17,042
Financial charges		13	-
Other income		-	983
		<u>41,165</u>	<u>57,707</u>
Operating loss		4,563	(10,569)
Unrealised (loss) on re-measurement of investment at fair value through profit or loss		(3,098)	(347)
		<u>1,465</u>	<u>(10,916)</u>
Less :			
Modaraba company's management fee		-	-
Sales Tax on Management Fee		-	-
Provision for taxation		370	-
		<u>370</u>	<u>-</u>
		1,095	(10,916)
Profit / (loss) for the period		1,095	(10,916)
Earning / (loss) per certificate - basic and diluted	12	0.04	(0.41)

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**FIRST UDL MODARABA
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME - (Un-audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2018**

	<u>Quarter Ended</u>	
	<u>September 2018</u>	<u>September 2017</u>
	----- Rupees "000" -----	
Profit / (loss) for the period	1,095	(10,916)
Other comprehensive loss		
Unrealised gain on re-measurement of available for sale investments	(3,486)	(42,663)
Total comprehensive income / (loss)	<u>(2,392)</u>	<u>(53,579)</u>

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**FIRST UDL MODARABA
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY - (Un-audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2018**

	Certificate Capital	*Statutory Reserve	Unrealized gain /(loss) on re-measurement of available for sale investment	Unappropriated Profit	Total Certificate Holders' Equity
----- Rupees"000" -----					
Balance as at July 1, 2017	263,866	259,037	167,142	30,743	720,788
Other comprehensive income for the year ended June 30, 2017	-	-	(96,329)	(7,232)	(103,561)
Profit distribution - 30 June 2017 at 10%	-	-	-	(29,025)	(29,025)
Balance as at June 30, 2018	263,866	259,037	70,814	(5,515)	588,202
Other comprehensive income for the quarter ended september 30, 2018	-	-	(3,486)	1,095	(2,392)
Balance as at September 30, 2018	<u>263,866</u>	<u>259,037</u>	<u>67,327</u>	<u>(4,420)</u>	<u>585,811</u>

For UDL Modaraba Management (Private) Limited
(Management Company)

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**FIRST UDL MODARABA
CONDENSED INTERIM STATEMENT OF CASH FLOW - (Un-audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2018**

	September 2018	September 2017
	----- Rupees "000" -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	1,095	(10,916)
<i>Adjustment of non cash/non operating items:</i>		
Depreciation on owned assets	5,727	5,970
Amortization on intangible assets	-	-
Depreciation on assets leased out under Ijarah	7,527	14,453
Financial charges	13	-
(Gain) on sale of leased assets	(14)	-
(Gain) on sale of own assets	(724)	-
(Gain) on sale of investment	(1,905)	(382)
Dividend income	(114)	(4)
Unrealised gain on re-measurement of investments at fair value through profit or loss	3,098	347
	<u>13,608</u>	<u>20,383</u>
	14,702	9,467
Changes in working capital:		
(Increase) / decrease in current assets		
Stock	10,590	103
Ijarah rental receivables	(790)	(107)
Debtors	(5,533)	(5,621)
Diminishing Musaharakah Financing	(2,378)	(789)
Advances - considered good	2,041	9,040
Financial assets	-	-
Prepayments and other receivables	(1,010)	2,599
	<u>2,920</u>	<u>5,226</u>
Increase in current liabilities		
Current maturity of security deposits	(1,260)	1,871
Trade creditors	(1,605)	-
Tijarah financing	-	-
Payable to management company	-	(3,900)
Payable to IFC	-	(52,434)
Accrued and other liabilities	(10,383)	6,706
	<u>4,376</u>	<u>(33,064)</u>
Financial charges paid	(13)	-
	<u>(13)</u>	<u>-</u>
<i>Net cash flows generated/(used in) from operating activities</i>	4,362	(33,064)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets - leased out	(1,500)	-
Purchase of fixed assets - own	-	(10,384)
Purchase of fixed assets - intangibles	-	(375)
Proceeds from sale of fixed assets - own	6,788	-
Proceeds from sale of fixed assets - Leased out	10,057	-
Dividend Income received	114	4
sale of Investments - net	(41,007)	(11,907)
<i>Net cash flows (used in)/generated from investing activities</i>	(25,548)	(22,662)
CASH FLOWS FROM FINANCING ACTIVITIES		
Diminishing Muharakah financing	(5,064)	-
Long term deposits	(406)	(1,871)
Long term advances and deposits	(116)	(452)
<i>Net cash flows (used in)/generated from financing activities</i>	<u>(5,586)</u>	<u>(2,323)</u>
Net change in cash and cash equivalents during the period	(26,771)	(58,049)
Cash and cash equivalents at the beginning of the period	55,860	91,589
Cash and cash equivalents at the end of the period	29,089	33,541

The annexed notes from 1 to 15 form an integral part of these condensed interim financial information.

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1. LEGAL STATUS AND NATURE OF THE BUSINESS

First UDL Modaraba (the Modaraba) was formed in 1991 under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Rules framed there under, having its registered office at Business Enclave, 77-C, 1st Floor, 12th Commercial street, phase II, Ext. D.H.A, Karachi and is managed by UDL Modaraba Management (Private) Limited, a company incorporated in Pakistan. It is a perpetual, multipurpose and multidimensional Modaraba and is engaged in providing finance on Murabaha and Musharaka arrangements, Ijarah, commodity trading, manufacturing and trading of pharmaceutical products, and trading in listed and non-interest bearing securities. The Modaraba is listed on Pakistan Stock Exchange.

2. BASIS OF PREPARATION

This financial statements comprise balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity and the notes forming part thereof for the Quarter ended September 30, 2018 have been prepared under the historical cost convention except for: investments - available for sale and investment - at fair value through profit or loss have been recognised at fair value.

3. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan and the requirements of Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulations for Modarabas (hereinafter referred to as the relevant laws). Approved accounting standards comprise such International Financial Reporting Standards (IFRS) / International Accounting Standards (IAS) as notified under the provisions of the Companies Act, 2017. Wherever, the requirements of relevant laws or directives issued by the Securities and Exchange Commission of Pakistan (SECP) differ with the requirements of these standards, the requirements of the relevant laws and the said directives take precedence.

The comparative condensed balance sheet, presented in this condensed interim financial information, as at June 30, 2018 has been extracted from the annual audited financial statements of the Modaraba for the year ended June 30, 2018 whereas the comparative interim profit and loss account, interim statement of comprehensive income, cash flow statement and statement of changes in equity for the quarter ended period ended September 30, 2017 have been extracted from the condensed interim financial information for quarter ended period ended September 30, 2017

The SECP has issued directive (vide SRO 431 (I) / 2007) that Islamic Financial Accounting Standard 2 (IFAS-2) shall be followed in preparation of the financial statement by Companies and Modarabas while accounting for Ijarah (Lease) transactions as defined by said Standard. The Modaraba has adopted the above said Standard.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial report are the same as those applied in the preparation of the financial statements for the year ended June 30, 2018.

5. ISSUED SUBSCRIBED AND PAID-UP CERTIFICATE CAPITAL

Un-audited September 30, 2018 -----Number of certificates-----	Audited June 30, 2018		Un-audited September 30, 2018 ----- Rupees "000" -----	Audited June 30, 2018
17,668,885	17,668,885	Modaraba certificates of Rs. 10 each fully paid in cash	176,689	176,689
8,717,704	8,717,704	Modaraba certificates issued as fully paid bonus certificates	87,177	87,177
<u>26,386,589</u>	<u>26,386,589</u>		<u>263,866</u>	<u>263,866</u>

6. CONTINGENCIES AND COMMITMENTS

There is no change in the status of contingencies and commitments as disclosed in annual financial statements for the year ended June 30, 2018.

	Note	Un-audited September 30, 2018 ----- Rupees "000" -----	Audited June 30, 2018
7. FIXED ASSETS - tangible			
Assets in own use		173,407	178,155
Assets leased out		63,245	71,138
		<u>236,652</u>	<u>249,293</u>
8. LONG TERM INVESTMENTS			
Available for sale			
Listed companies		227,781	202,366
		<u>227,781</u>	<u>202,366</u>
9. FINANCIAL ASSETS - INVESTMENTS at fair value through profit or loss			
Listed companies		35,659	39,967
		<u>35,659</u>	<u>39,967</u>
10 CASH AND BANK BALANCES			
Cash in hand		56	156
Cash at banks			
- PLS saving accounts	10.1	6,524	36,447
- Current accounts		22,509	19,257
		<u>29,033</u>	<u>55,705</u>
		<u>29,089</u>	<u>55,860</u>

10.1 Rate of return on these accounts range from 4% to 5.5% per annum (June 2018: 5% to 6.45%)

Un-audited	
Quarter ended	
September 30, 2018	September 30, 2018
----- Rupees "000" -----	

11 OPERATING EXPENSES

Modaraba Business	3,252	5,833
Pharma Business	3,945	6,208
	<u>7,197</u>	<u>12,041</u>

12 EARNINGS / (LOSS) PER CERTIFICATE

Profit / (loss) for the period	<u>1,095</u>	<u>(10,916)</u>
Weighted average number of certificates	<u>26,386,589</u>	<u>26,386,589</u>
Earnings / (loss) per certificate - basic	<u>0.04</u>	<u>(0.41)</u>

13 FINANCIAL RISK MANAGEMENT

The Modarabas' financial risk management objectives and policies are consistent with that disclosed in the financial statements as at and for the year ended June 30, 2018

14 DATE OF AUTHORIZATION FOR ISSUE

The condensed interim financial information were approved and authorized for issue on 31st October, 2018 by the Board of Directors of the Modaraba company.

15 GENERAL

15.1 The corresponding figures have been re-arranged and reclassified where ever neccessaary for better comaprison.

15.2 The figures have been rounded off to the nearest thousand rupees.

For UDL Modaraba Management (Private) Limited
(Management Company)

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